

Assembly Bill No. 2466

CHAPTER 933

An act to add Title 1.4A (commencing with Section 1749.5) to Part 4 of Division 3 of the Civil Code, and to add Section 1520.5 to the Code of Civil Procedure, relating to gift certificates.

[Approved by Governor September 25, 1996. Filed
with Secretary of State September 26, 1996.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2466, Goldsmith. Gift certificates.

Existing law regulates the issuance and redemption of trading stamps and premium coupons, but does not regulate the issuance and redemption of gift certificates.

This bill would provide, on or after January 1, 1997, that it is unlawful for any person or entity to sell a gift certificate containing an expiration date. The bill would also provide for redemption in cash or replacement of a gift certificate sold after that date, as specified. This bill would also provide that it does not apply to gift certificates distributed to a consumer for promotional purposes without any money or other thing of value being given in exchange for the gift certificate by the consumer.

Existing law provides for escheat to the state of certain personal property that is held or owing in the ordinary course of the holder's business, as specified.

This bill would provide that this provision does not apply to gift certificates subject to the above provisions.

The people of the State of California do enact as follows:

SECTION 1. Title 1.4A (commencing with Section 1749.5) is added to Part 4 of Division 3 of the Civil Code, to read:

TITLE 1.4A. GIFT CERTIFICATES

1749.5. (a) On or after January 1, 1997, it is unlawful for any person or entity to sell a gift certificate to a purchaser containing an expiration date. Any gift certificate sold after that date shall be redeemable in cash for its cash value, or subject to replacement with a new gift certificate at no cost to the purchaser or holder.

(b) A gift certificate sold without an expiration date is valid continuously except when refunded or replaced with a new gift certificate.

(c) This section shall not apply to gift certificates that are distributed to a consumer for promotional purposes without any money or other thing of value being given in exchange for the gift certificate by the consumer.

SEC. 2. Section 1520.5 is added to the Code of Civil Procedure, to read:

1520.5. Section 1520 shall not apply to gift certificates subject to Title 1.4A (commencing with Section 1749.5) of Part 4 of Division 3 of the Civil Code.

